

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

CERTIFIED MAIL

Date: **SEP 18 1997**

EVERLASTING TAPE MINISTRY AND
CAPTION SERVICE
C/O DANA F BROWN
PO BOX 965
VANCOUVER, WA 98666-0965

Employer Identification Number:
91-1563623

DLN:
317202644

Contact Person:
NORMA JULES

Contact Telephone Number:
(213) 725-1857

Addendum Applies:
No

Dear Applicant:

In our letter dated May 26, 1993, we determined that you were exempt from Federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3). Because you were a newly created organization, we did not make a final determination of your private foundation status under section 509(a) of the Code. However, we determined that you could reasonably be expected to be a publicly supported organization described in section 509(a)(1) or 509(a)(2) of the Code. We also determined that you would be treated as other than a private foundation during your advance ruling period.

Based on the financial information you submitted covering your advance ruling period, we have determined that you are a private foundation as defined in section 509(a) of the Code. Your exempt status as an organization described in 501(c)(3) remains in effect.

Sections 170(b)(1)(A)(vi) and 509(a)(1) describe an organization, "... which normally receives a substantial part of its support from a governmental unit... or from direct or indirect contributions from the general public."

Section 1.170A-9(e)(2) of the Income Tax Regulations states that an organization is publicly supported if at least 33 1/3 percent of its support is received from governmental units and direct or indirect contributions from the general public.

Section 1.170A-9(e)(6)(i) of the Regulations states, in part, that in order to meet the 1/3 support test, contributions from individuals, corporations or trusts are includible in public support only to the extent that they do not exceed 2 percent of the organization's total support.

A review of the financial information you recently submitted indicates that 6 percent of your total support came from the general public. This percentage is calculated on the support received by taking into consideration the 2 percent rule noted above.

Based upon the above, we have determined that you do not meet the requirements of section 509(a)(1) of the Code.

Section 509(a)(2) of the Code describes an organization that receives no more than one-third of its support from gross investment income and more than

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one-third of its support in each tax year from any combination of the following:

- i) gifts, grants, contributions or membership fees from other than a disqualified person, and
- ii) gross receipts from admissions, sales of merchandise performance of services or furnishing of facilities, in an activity that is not an unrelated trade or business (to the extent that gross receipts from any person, or from any bureau or similar agency of a governmental unit do not exceed the greater of \$5,000 or 1 percent of the organization's total support in that year).

A review of the financial information you submitted indicates that 16.7 percent of your total support came from the general public for purposes of section 509(a)(2) of the Code. Based upon this information, we hold that you do not meet the requirements of section 509(a)(2) of the Code.

Section 509(a)(3) of the Code describes an organization which is operated solely for the benefit of or in connection with one or more of the organizations described in section 509(a)(1) or 509(a)(2) of the Code. You do not meet the requirements of section 509(a)(3) of the Code.

Additionally, you are not an organization described in section 509(a)(4) of the Code because you are not organized and operated exclusively for testing for public safety.

As a private foundation you are required to file Form 990-PF, Return of Private Foundation or Section 4947(a)(1) Trust Treated as a Private Foundation, by the fifteenth day of the fifth month following the close of your tax year. There is a penalty of \$20 a day, up to a maximum of \$10,000 or 5 percent of your gross receipts, whichever is less, for each return filed late, unless there is reasonable cause for the delay. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

For purposes of sections 507(d) and 4940 of the Code, you are considered to be a private foundation as of the effective date of your exemption under section 501(c)(3). Therefore, you are required to file a limited Form 990-PF for each year covered by your advance ruling. Complete only the general information at the top of the form, column (b) of Part I, all of Parts IV and VI (or all of Parts VII and II, respectively, for tax years beginning before 1985), Part V (if applicable), sign the return and pay all taxes due, with interest. If you file within 90 days from the date of this letter you will not be subject to the penalty provisions of sections 6651 and 6652. Attach a statement to the returns explaining that you have reasonable cause for filing late (your advance ruling) and cite Revenue Procedure 79-8, 1979-1 C.B. 487. The limited Forms 990-PF described in this paragraph should be filed with this office.

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You are required to make your annual return available for public inspection within 180 days after the date of publication of its availability, and you must publish the notice of availability no later than the date required for filing the return. You are also required to make available a copy of your exemption application, any supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$20 per day for each day there is a failure to comply (up to a maximum of \$10,000 in the case of an annual return).

Since you are classified as a private foundation as of April 1, 1997, all parts of Form 990-PF for December 31, 1997 should be completed. However, the figures for column (c) of Part I, all of Part IX through Part XIV, and Part XV (if applicable), and your answers to the questions in Part VII should reflect only the period beginning on the above date and ending on the last day of your tax year. Forms 990-PF for subsequent years should be completed and filed according to the instructions for those forms.

If you do not agree with our determination, you may request consideration of this matter by the Office of Regional Director of Appeals. To do this, you should file a written appeal as explained in the enclosed Publication 892. Your appeal should give the facts, law, and any other information to support your position. If you want a hearing, please request it when you file your appeal and you will be contacted to arrange a date. The hearing may be held at the regional office, or, if you request, at any mutually convenient district office. If you will be represented by someone who is not one of your principal officers, that person will need to file a power of attorney or tax information authorization with us.

If you do not appeal this determination within 30 days from the date of this letter, as explained in Publication 892, this letter will become our final determination in this matter. Further, if you do not appeal this determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust administrative remedies. Section 7428(b)(2) of the Code provides, in part, that, "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Appeals submitted which do not contain all the documentation required by Publication 892 will be returned for completion.

As a private foundation you cannot be exempt from Federal income tax under section 501(a) of the Code unless your governing instrument contains the provisions of section 508(e) or is considered to satisfy the requirements of that section because of State law. If you do not comply with the regulations issued under section 508 you will no longer be exempt from tax and contributions to you will no longer be deductible.

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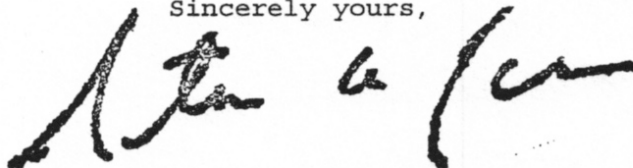
If you agree with the determination, please sign and return the enclosed Form 6018 as soon as possible.

If the heading of this letter indicates that an addendum applies, the addendum enclosed is an integral part of this letter.

Because this letter could help resolve any questions about your private foundation status, please keep it with your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "John A. [unclear]", written in a cursive style.

District Director

Enclosure(s):
Publication 892
Form 6018